Disinvestment of Government Equity in Salem Steel Plant

3171. SHRI J. CHITHARANJAN :
SHRI GAYA SINGH :

Will the Minister of STEEL be pleased to state :

(a) whether Government are considering a proposal to disinvest Government equity in Salem Steel Plant;

(b) if so, the details thereof and reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) and (b) Since Salem Steel Plant (SSP) has been continuously incurring losses, Steel Authority of India Ltd. (SAIL) has initiated the process of formation of a joint venture for SSP through which steel making and slab casting facilities can also be made available to it, so as to make SSP profitable.

Accordingly, a global tender inviting 'Expression of Interest' from experienced and competent companies had been issued.

Projects in Steel Sector

3172. SHRI DILIP SINGH JUDEV : Will the Minister of STEEL be pleased to state :

(a) whether nearly 20 projects being constructed at the cost of crores of rupees in steel sector are in various stages of implementation;

(b) if so, the details thereof;

(c) what factors are responsible for delay in the implementation of these projects;

(d) whether Government have conducted any study regarding this situation; and

(e) what steps Government proposed to take for rapid implementation of the said projects?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY) : (a) and (b) According to the available information, presently there are 19 steel projects in the private/joint sector, sanctioned by the financial institutions for an aggregate capacity of approximately 13 million tonnes per annum involving a total investment of over Rs. 30,000 crores. The status of implementation/construction of these projects is as under :

- 7 are fully commissioned.
- 3 are partly commissioned.
- 1 is lying closed and winding up orders issued by the Financial Institution.
- 1 is incomplete and suit being filed by the Financial Institutions.
- 6 are at various stages of implementation.
- 1 project is on hold and is yet to start any construction work.

(c) Most of the on-going projects have been facing time and cost over-runs mainly due to the entrepreneurs' inability to raise funds from the public as envisaged in the means of financing due to sluggish capital market conditions and withdrawal of some of the lenders from the assisted projects. Other reasons for delay are inability of the promoters to raise their contribution in time, changes in scope of the project, delay in the supply of critical equipments, etc.

(d) and (e) No specific study has been undertaken by the Government on the delays in the implementation of these projects. However, Government has been reviewing the implementation of the projects from time to time at different levels and issues have been taken up with the concerned agencies, whenever necessary. Further, in order to address the problems of the on-going iron and steel projects as well as the newly commissioned/existing steel plants, Government have constituted a Project Co-ordination Group (PCG) under the chairmanship of Minister of State for Steel and Members comprising of Secretaries of the concerned Ministries and Chief Executives of the Financial Institutions (IDBI, IFCI and ICICI) and State Bank of India. The first meeting of the PCG took place on 13th March, 2000, wherein, the company representatives were given an opportunity to present their problems before the Group.

Export Production Target of SAIL

3173 . SHRI ABANI ROY : Will the Minister of STEEL be pleased to state:

(a) whether the SAIL propose to export its products during the next few years;